

HOUSE BILL 2183
By Strader

AN ACT to amend Tennessee Code Annotated, Title 64, to create and establish an authority for and on behalf of Knox County, Tennessee, and any adjoining counties electing to participate therein, to be known as the "Knox County Regional Utility Authority", and to authorize all necessary powers in connection therewith.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 64, is amended by adding Sections 2 through 7 of this act as a new chapter.

SECTION 2. A water, wastewater treatment and utility authority, to be known and designated as the Knox County Regional Utility Authority, is hereby created and established for and on behalf of the citizens of Knox County and the citizens of any county adjoining Knox County or other participating governmental entity electing to participate therein.

SECTION 3.

(a) It is hereby declared that the Knox County Regional Utility Authority created pursuant to this chapter shall be a public body corporate and politic acting as an instrumentality and agency of Knox County and the authority's participating governmental entities; and that the planning, acquisition, operating and financing of water or wastewater treatment facilities and the provision by such authority of such other utility services as are authorized by this chapter, are hereby declared to be public and governmental purposes and a matter of public necessity.

(b) The property and revenues of the authority or any interest therein shall be exempt from all state, county and municipal taxation.

SECTION 4. The following words or terms whenever used or referred to in this chapter shall have the following respective meanings unless different meanings clearly appear from the context:

(1) "Authority" means the Knox County Regional Utility Authority created pursuant to the provisions of this chapter.

(2) "Board" means the board of commissioners of the authority.

(3) "Bonds" shall include notes, interim certificates, or other obligations of the authority.

(4) "Creating governmental entity" means Knox County, Tennessee, a political subdivision of the state of Tennessee.

(5) "Executive officer" means the mayor or other chief executive officer of the creating governmental entity or participating governmental entity.

(6) "Governing body" for the creating governmental entity means the Knox County Commission; for any participating governmental entity that is a county, "governing body" means the county commission of such county; for any other participating governmental entity, "governing body" means the chief legislative body or board of commissioners created by such participating governmental entity's charter, establishing instrument or enabling law to which is granted the jurisdiction, control and management of the purchase, production, sale and distribution of utility services by such participating governmental entity.

(7) "Jurisdiction" shall include, collectively, all areas of jurisdiction encompassed by the creating governmental entity and each participating governmental entity.

(8) "Participating governmental entity" means any county adjoining the creating governmental entity, county utility authority of the creating governmental entity or adjoining counties, utility district, municipality or municipal utility, which, pursuant to a

resolution of its governing body, shall have sold, leased, dedicated, donated or otherwise conveyed or transferred its water or wastewater treatment works or utility service rights or jurisdiction, or any portion of such works or rights, to the authority for operation by the authority in order to make such treatment works or service rights an operational part of the authority's treatment works or service responsibility.

(9) "Treatment works" means any devices and systems used in the treatment and distribution of water or the collection and treatment of wastewater, including transmission and collection lines or mains, storage facilities, pumping, power, and other equipment, and their appurtenances, extensions, improvements, remodeling, additions, and other alterations thereof.

SECTION 5. The creating governmental entity and any participating governmental entity may enter into an agreement with the authority for the orderly transfer to the authority of any treatment works properties necessary for the functioning of the authority and if desired the transfer of any related utility functions or service responsibility. The agreement may include provisions for the reimbursement of any such governmental entity for its obligations issued for treatment works. Nothing in this chapter shall be construed to require any transfer of function or service area or responsibility by the creating governmental entity or any participating governmental entity to the authority.

SECTION 6.

(a) The governing body of the authority shall be a board of commissioners of seven (7) persons, who shall be appointed by the mayor of Knox County and approved by resolution of the Knox County Commission. Upon recommendation of the mayor of Knox County and approval by resolution of the Knox County Commission, the governing body of the authority may be increased to no more than nine (9) persons, who shall be appointed by the mayor of Knox County and approved by resolution of the Knox County

Commission, or if provided for in the resolution authorizing the additional commissioners, shall be appointed by the executive officer of a participating governmental entity and approved by the resolution of such participating governmental entity's governing body. The board of commissioners shall include persons of good standing and reputation who shall be a resident of the creating governmental entity or of the service territory of any participating governmental entity.

(b) Commissioners first appointed to the board shall be appointed for terms of one (1), two (2), three (3), four (4), five (5), six (6), and seven (7) years, respectively, but thereafter each commissioner shall be appointed for a term of seven (7) years. In the event the board is increased above seven (7) members, the first additional member shall be appointed for a term of seven (7) years, and any second additional member shall be appointed to an initial term not to exceed seven (7) years as specified in the resolution authorizing the increase in the number of commissioners so as to avoid having more than two (2) members' terms expiring in any one (1) year.

(c) Any vacancy by reason of nonresidence, incapacity, resignation or death shall be filled in like manner for the unexpired term. A commissioner's term shall continue until the appointment and qualification of the commissioner's successor. A commissioner may be removed from office by a two-thirds (2/3) vote of the governing body of the governmental entity that approved the commissioner's appointment, either for cause or without cause.

(d) The board shall elect annually each January from among its members a chair and vice-chair, each of whom shall continue to be voting members, and shall adopt its own by-laws and rules of procedure. The presence of at least a majority of the number of commissioners shall constitute a quorum for the transaction of business. Except as

herein expressly otherwise specified, all powers herein granted to an authority shall be exercised by the board.

(e) Each member of the board shall be entitled to an equal vote on all matters.

(f) Commissioners shall be entitled to receive payment for their attendance at meetings of the authority in the same manner that utility district commissioners are compensated under § 7-82-101 et seq., and shall also be reimbursed for necessary expenses incurred in the performance of their official duties. Neither the Tennessee Regulatory Authority nor any board or commission of like character hereafter created shall have jurisdiction over the authority in the management and control of any treatment works, including the regulation of its rates, fees or charges.

SECTION 7. The board shall be vested with full, absolute and complete authority and responsibility for the operation, management, conduct and control of the business and affairs of the authority herein created; such operation, management, conduct and control, however, shall not be inconsistent with existing contractual obligations of any participating governmental entity. Such authority and responsibility shall include, but shall not be limited to, the establishment, promulgation and enforcement of the rules, regulations or policies of the authority, the upkeep and maintenance of all property, the administration of the financial affairs of the authority, and the employment, compensation, discharge and supervision of all personnel.

SECTION 8. This act shall take effect upon becoming a law, the public welfare requiring it.